

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: **W. R. Grace & Co., et al**  
Debtor

Case No. **01-01139** Jointly Administered  
Reporting Period: **December 2007**

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)			See attached Attestation Form
Copies of bank statements			See attached Attestation Form
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

31 January 2008  
\_\_\_\_\_  
Date

Robert M. Tarola  
\_\_\_\_\_  
Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer  
\_\_\_\_\_  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**December 31, 2007**

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**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	JP Morgan Chase Disbursement 9101013572	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Bank of America Lockbox 8188703107	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257
CASH BEGINNING OF MONTH	\$ 113,944	\$ 576,680	\$ -	\$ 123,159,670	\$ 5,096	\$ 843,382	\$ 412,855
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					(4,752)		
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES		1,296,361		159,601		3,286	44,409,964
TRANSFERS IN - NONFILING ENTITIES							15,725,678
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	200,000			4,400,000			282,346,563
MISCELLANEOUS							
TOTAL RECEIPTS	200,000	1,296,361	-	4,559,601	(4,752)	3,286	342,482,204
DISBURSEMENTS							
PAYROLL							
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES							540,411
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							193,961
TRANSFERS OUT - THIRD PARTIES	176,616						6,423,981
TRANSFERS OUT - NONFILING ENTITIES							735,205
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		1,863,041		127,719,270			289,870,495
MISCELLANEOUS							
TOTAL DISBURSEMENTS	176,616	1,863,041	-	127,719,270	-	-	297,764,053
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	23,384	(566,680)	-	(123,159,669)	(4,752)	3,286	44,718,152
CASH - END OF MONTH	\$ 137,328	\$ 10,000	\$ -	\$ 1	\$ 345	\$ 846,668	\$ 45,131,007

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of certain other debtor entities, generally and primarily those that are inactive and/or have no direct employees. Such expenditures are generally de minimis and could include professional fees, state registration fees, business license fees and certain taxes.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Bank of America Lockbox 6188203114	Bank of America Securities LLC 22330134	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 1,237,402	\$ 108,981,118	\$ 9,837,556	\$ (131,992)	\$ -	\$ -
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	47,799,425					
ACCOUNTS RECEIVABLE - INTERCOMPANY	1,215,872					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						
DIP BORROWINGS						
TRANSFERS IN - THIRD PARTIES		517,982				
TRANSFERS IN - NONFILING ENTITIES	19,488,000					
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		149,344,028	144,400,000	27,409,493		71,599
MISCELLANEOUS			10			
TOTAL RECEIPTS	68,503,297	149,862,010	144,400,010	27,409,493	-	71,599
DISBURSEMENTS						
PAYROLL				13,626,928		
PAYROLL TAXES				9,901,667		
TRADE PAYABLES - THIRD PARTIES						
TRADE PAYABLES - INTERCOMPANY						
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						
DIP PRINCIPAL REPAYMENTS						
DIP INTEREST AND USAGE FEES						
TRANSFERS OUT - THIRD PARTIES	390,669					71,599
TRANSFERS OUT - NONFILING ENTITIES	2,791,805					
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	63,533,803	9,729,066	148,160,789			
MISCELLANEOUS		1,371,581	A			
TOTAL DISBURSEMENTS	66,716,277	11,100,647	148,160,789	23,528,594	-	71,599
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	1,787,020	138,761,363	(3,760,779)	3,880,899	-	-
CASH - END OF MONTH	\$ 3,024,422	\$ 247,742,481	B 6,076,777	\$ 3,748,907	\$ -	\$ -

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## Note A

Represents the change in market value of investment securities.

## Note B

\$98.3 million of this account has been reported as "investment securities" in W.R. Grace & Co.- Conn's balance sheet as of December 31, 2007

W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	First Union Accts Payable 2079900005761	First Union Payroll 20799000067554	Wachovia Lockbox 1866-082535	First Union Accts payable 20799000005280	First Union Accts Payable 20799000005231	SunTrust Payroll 00000141309	PNC 4002641380	Hibernia Natl Disbursement 101391210	JP Morgan Chase Lockbox 304618494
CASH BEGINNING OF MONTH	\$ (5,633,873)	\$ -	\$ -	\$ -	\$ (4,886,958)	\$ 45,246	\$ 24,196	\$ 10,000	\$ 123,662
RECEIPTS									
ACCOUNTS RECEIVABLE - THIRD PARTIES									38,521,347
ACCOUNTS RECEIVABLE - INTERCOMPANY									23,081,229
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI									
DIP BORROWINGS									
TRANSFERS IN - THIRD PARTIES									
TRANSFERS IN - NONFILING ENTITIES									
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	60,362,421			1,415,485	58,901,791				
MISCELLANEOUS				38,029	2,273,837				
TOTAL RECEIPTS	60,362,421	-	-	1,453,514	61,175,628	-	-	-	61,602,576
DISBURSEMENTS									
PAYROLL									
PAYROLL TAXES									
TRADE PAYABLES - THIRD PARTIES	(a) 60,192,906			1,453,514	56,288,669				
TRADE PAYABLES - INTERCOMPANY									
ACCOUNT SECURITIZATION									
PAYMENTS AS SERVICER FOR GRPI									
DIP PRINCIPAL REPAYMENTS									
DIP INTEREST AND USAGE FEES									
TRANSFERS OUT - THIRD PARTIES									
TRANSFERS OUT - NONFILING ENTITIES									
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							24,196		59,669,628
MISCELLANEOUS									
TOTAL DISBURSEMENTS	60,192,906	-	-	1,453,514	56,288,669	-	24,196	-	59,669,628
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	169,515	-	-	-	486,958	-	(24,196)	-	1,932,948
CASH - END OF MONTH	\$ (5,464,358)	\$ -	\$ -	\$ -	\$ -	\$ 45,246	\$ (0)	\$ 10,000	\$ 2,056,610

## Note #1

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(a) These disbursements include Libby indictment, legal, and indemnification costs of \$1,475,827.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco Interam de Finanzas 007000107847
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ 16,150	\$ 171,744	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES			29,687	422,577	-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-	-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	-	-
DIP BORROWINGS			-	-	-
TRANSFERS IN - THIRD PARTIES			289,340	-	-
TRANSFERS IN - NONFILING ENTITIES			-	-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS					
TOTAL RECEIPTS	-	-	319,027	422,577	-
DISBURSEMENTS					
PAYROLL			23,533	-	-
PAYROLL TAXES			94,404	-	-
TRADE PAYABLES - THIRD PARTIES			-	43,829	-
TRADE PAYABLES - INTERCOMPANY			-	-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	-	-
DIP PRINCIPAL REPAYMENTS			-	-	-
DIP INTEREST AND USAGE FEES			-	-	-
TRANSFERS OUT - THIRD PARTIES			158,895	290,000	-
TRANSFERS OUT - NONFILING ENTITIES			-	-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS			36,158	70,041	-
TOTAL DISBURSEMENTS	-	-	312,990	403,870	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	6,037	18,708	-
CASH - END OF MONTH	\$ -	\$ -	\$ 22,187	\$ 190,452	\$ -

## Note #1

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W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Banco Interam de Finanzas 7000107707	Bank Boston Operating Acct 154519	HSBC Operating Acct 1128001	Cash in Transit	Cash on Hand	Other
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ 119,751	\$ 1	\$ 22,203	\$ (273,457)
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	-	-	145,587			
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	-	-			
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	-	-			
DIP BORROWINGS	-	-	-			
TRANSFERS IN - THIRD PARTIES	-	-	-			
TRANSFERS IN - NONFILING ENTITIES	-	-	-			
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	-	-	-			
MISCELLANEOUS	-	-	-			149,872
TOTAL RECEIPTS	-	-	145,587	-	-	149,872
DISBURSEMENTS						
PAYROLL	-	-	-			
PAYROLL TAXES	-	-	-			
TRADE PAYABLES - THIRD PARTIES	-	-	159,044			
TRADE PAYABLES - INTERCOMPANY	-	-	-			
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI	-	-	-			
DIP PRINCIPAL REPAYMENTS	-	-	-			
DIP INTEREST AND USAGE FEES	-	-	-			
TRANSFERS OUT - THIRD PARTIES	-	-	-			
TRANSFERS OUT - NONFILING ENTITIES	-	-	-			
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	-	-	-			
MISCELLANEOUS	-	-	7,697			
TOTAL DISBURSEMENTS	-	-	166,741	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	(21,154)	-	-	149,872
CASH - END OF MONTH	\$ -	\$ -	\$ 98,597	\$ 1	\$ 22,203	\$ (123,586)

**Note #1**

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W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	CURRENT MONTH	
	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 234,774,377	\$ -
RECEIPTS		
ACCOUNTS RECEIVABLE - THIRD PARTIES	86,913,872	
ACCOUNTS RECEIVABLE - INTERCOMPANY	24,297,101	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	
DIP BORROWINGS	-	
TRANSFERS IN - THIRD PARTIES	46,676,533	
TRANSFERS IN - NONFILING ENTITIES	35,213,678	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	728,851,380	
MISCELLANEOUS	2,461,747	
TOTAL RECEIPTS	924,414,310	-
DISBURSEMENTS		
PAYROLL	13,650,461	
PAYROLL TAXES	9,996,071	
TRADE PAYABLES - THIRD PARTIES	118,678,373	
TRADE PAYABLES - INTERCOMPANY	-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI	-	
DIP PRINCIPAL REPAYMENTS	-	
DIP INTEREST AND USAGE FEES	193,961	
TRANSFERS OUT - THIRD PARTIES	7,511,760	
TRANSFERS OUT - NONFILING ENTITIES	3,527,010	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	700,570,288	
MISCELLANEOUS	1,485,477	
TOTAL DISBURSEMENTS	855,613,400	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	68,800,910	-
CASH - END OF MONTH	\$ 303,575,287	\$ -

**Note #1**

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W.R. Grace &amp; Co.

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	1,155,533	1,155,533	
TOTAL RECEIPTS	1,155,533	1,155,533	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	1,155,533	1,155,533	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	1,155,533	1,155,533	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (157,914)	\$ -	\$ (157,914)	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	-
DIP BORROWINGS				-	-
TRANSFERS IN - THIRD PARTIES	4,000			4,000	
TRANSFERS IN - NONFILING ENTITIES				-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	59,566	1,156,138		1,215,704	
TOTAL RECEIPTS	63,566	1,156,138	-	1,219,704	-
DISBURSEMENTS					
PAYROLL				-	-
PAYROLL TAXES				-	-
TRADE PAYABLES - THIRD PARTIES				-	-
TRADE PAYABLES - INTERCOMPANY				-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	-
DIP PRINCIPAL REPAYMENTS				-	-
DIP INTEREST AND USAGE FEES				-	-
TRANSFERS OUT - THIRD PARTIES		1,179,131		1,179,131	
TRANSFERS OUT - NONFILING ENTITIES				-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	63,566			63,566	
MISCELLANEOUS				-	-
TOTAL DISBURSEMENTS	63,566	1,179,131	-	1,242,697	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(22,994)	-	(22,994)	
CASH - END OF MONTH	\$ -	\$ (180,907)	\$ -	\$ (180,907)	\$ -

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Citibank Operating Acct 300153011	Petty Cash	Other	Cash-in-Transit	CURRENT MONTH	
					ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 5,644,297	\$ -	\$ -	\$ -	\$ 5,644,297	\$ -
RECEIPTS						
		No Activity	No Activity	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES	285,085				285,085	
ACCOUNTS RECEIVABLE - INTERCOMPANY					-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-	
DIP BORROWINGS					-	
TRANSFERS IN - THIRD PARTIES					-	
TRANSFERS IN - NONFILING ENTITIES					-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	502,870				502,870	
TOTAL RECEIPTS	787,955	-	-	-	787,955	-
DISBURSEMENTS						
PAYROLL	7,647				7,647	
PAYROLL TAXES	2,708				2,708	
TRADE PAYABLES - THIRD PARTIES	387,838				387,838	
TRADE PAYABLES - INTERCOMPANY					-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI					-	
DIP PRINCIPAL REPAYMENTS					-	
DIP INTEREST AND USAGE FEES					-	
TRANSFERS OUT - THIRD PARTIES					-	
TRANSFERS OUT - NONFILING ENTITIES					-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	502,870				502,870	
MISCELLANEOUS					-	
TOTAL DISBURSEMENTS	901,064	-	-	-	901,064	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(113,109)	-	-	-	(113,109)	-
CASH - END OF MONTH	\$ 5,531,189	\$ -	\$ -	\$ -	\$ 5,531,189	\$ -

## Grace International Holdings

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Grace International Holdings 323136524	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES	29,457,425	29,457,425	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	29,457,425	29,457,425	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	29,457,425	29,457,425	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	29,457,425	29,457,425	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

CC Partners Schedule of Cash Receipts and Disbursements MOR-1 December 2007			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

## Kootenai Development Company

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 115,439	\$ 115,439	\$ -
<b>RECEIPTS</b>			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
<b>TOTAL RECEIPTS</b>	-	-	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS	61,828	61,828	
<b>TOTAL DISBURSEMENTS</b>	61,828	61,828	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	(61,828)	(61,828)	-
<b>CASH - END OF MONTH</b>	\$ 53,611	\$ 53,611	\$ -

Grace Europe, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -



Gloucester New Communities Company, Inc.  
Schedule of Cash Receipts and Disbursements  
MOR-1  
December 2007

	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -

Dewey &amp; Almy, LLC

## Schedule of Cash Receipts and Disbursements

MOR-1

December 2007

	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

December 31, 2007

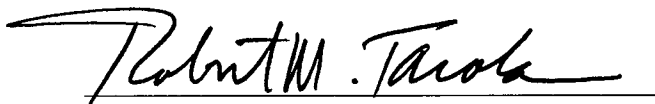
Office of the United States Trustee

Subject: Attestation Regarding Bank Account Reconciliations

The debtor, W. R. Grace & Co, et al, hereby submits this attestation regarding bank account reconciliations in lieu of providing copies of bank statements and copies of all account reconciliations.

The debtor has, on a timely basis, performed all bank account reconciliations in the ordinary course of business. Copies of bank account statements and reconciliations are available for inspection upon request by the United States Trustee's Office.

GRACE



Name: Robert M. Tarola  
Position: Senior Vice President and  
Chief Financial Officer

Sworn to and Subscribed  
before me on this 31<sup>st</sup>  
day of January, 2007. 2008



LEAH ANGLE  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires September 13, 2011

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	W.R. Grace & Co. Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 73,138,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	46,485,427	-	-	-	-	-	-	-	-
Net sales to filing entities	465,754	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	10,230,417	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(7,779,826)	4,595,763	604,527	19,173	845,233	-	2,602,915	-	-
	122,540,765	4,595,763	604,527	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	49,202,755	-	(4,209)	-	-	-	-	-	-
Cost of goods sold to non-filing entities	31,279,157	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	181,161	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	36,335,517	259,000	(1,760)	1,570	1,570	56,172	-	-	-
Research and development expenses	4,072,047	-	-	-	-	-	-	-	-
Depreciation and amortization	4,951,762	-	1,760	-	-	-	-	-	-
Interest expense	3,753,037	-	-	-	-	-	-	-	-
Other expense (income), net	(5,117,005)	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	8,132,639	-	-	-	-	-	-	-	-
	124,658,431	259,000	(4,209)	1,570	1,570	56,172	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(2,117,666)	4,336,763	608,736	17,603	843,663	(56,172)	2,602,915	-	-
(Provision for) benefit from income taxes	46,150,610	(1,517,867)	(213,175)	(6,161)	(295,282)	(102,841)	(911,021)	1,490	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ 44,032,945</b>	<b>\$ 2,818,896</b>	<b>\$ 395,561</b>	<b>\$ 11,442</b>	<b>\$ 548,381</b>	<b>\$ (159,013)</b>	<b>\$ 1,691,894</b>	<b>\$ 1,490</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

(a) Amount includes \$3,019,429 of expenses for Grace's legal and indemnification costs related to the Libby indictment. \$1,612,137 of this amount relates specifically to the indemnification costs of the seven current and former employees under indictment.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 218,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	933,540	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(887,785)	-	-	-	-	-	-	-	-
	45,755	218,674	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	(88,192)	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	280,073	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	78,359	-	-	-	-	-	-	1,570
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	85,696	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	(800,898)	(18,893)	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	(800,898)	337,043	-	-	-	-	-	-	1,570
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	846,654	(118,369)	-	-	-	-	-	-	(1,570)
(Provision for) benefit from income taxes	(1,119,342)	(98,711)	-	-	-	-	-	-	550
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (272,688)</b>	<b>\$ (217,080)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,020)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	42,987	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	(315)	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	42,672	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(42,672)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	14,935	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (27,737)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.



W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2007

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	(465,754)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(465,754)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	(461,234)
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(461,234)
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	(4,520)
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,520)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended December 31, 2007		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 73,357,666
Net sales to non-filing entities	-	46,485,427
Net sales to filing entities	-	-
Interest and royalties from non-filing entities, net	-	11,163,957
Interest and royalties from filing entities, net	-	-
	-	131,007,051
Cost of goods sold to third parties	-	49,110,354
Cost of goods sold to non-filing entities	-	31,279,157
Cost of goods sold to filing entities	-	-
Selling, general and administrative expenses	-	36,774,985
Research and development expenses	-	4,072,047
Depreciation and amortization	-	5,039,218
Interest expense	-	3,753,037
Other expense (income), net	-	(5,937,112)
Chapter 11 reorganization expenses, net of interest income	-	8,132,639
	-	132,224,326
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	(1,217,276)
(Provision for) benefit from income taxes	-	41,903,185
Minority interest in income of subsidiary	-	-
Equity in net income of non-filing entities	(3,600,000)	(3,600,000)
<b>Net (loss) income</b>	<b>\$ (3,600,000)</b>	<b>\$ 37,085,909</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. Conn.